WISCONSIN HOSPITAL ASSOCIATION
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The Valued Voice

WHA's Member Newsletter

September 25, 2018 Volume 62, Issue 39

In This Issue

Wisconsin Hospital Association Launches Redesigned Website and Rebrand

It's easier than ever to find information on health care policy, legislative updates and WHA's advocacy efforts

The Wisconsin Hospital Association (WHA) is known for its impactful bipartisan advocacy on behalf of its members, allowing hospitals and health systems to provide high-quality, affordable, accessible health care for Wisconsin families and communities. On Monday, WHA launched a redesigned website and rebrand of its logo to more accurately reflect its strong advocacy leadership in Wisconsin and Washington, D.C.

WHA strives to be the premier source of information on Wisconsin health care policy and legislative activity, and the redesigned website at www.wha.org includes:

- Improved website navigation and layout to make it easier to find key information
- Enhanced customer experience by providing focused topic areas on the site for easy access to data and materials – as well as key issues on the top of each major webpage
- A rotator on the homepage to feature key messages / issues
- Featured Health Care Topics A-Z in the top navigation
- More prominently featured WHA products such as the WHA Information Center, PricePoint, CheckPoint and the WHA Quality Center so ou can get to those resources quickly

WHA organized the website based upon key word and webpage searches, and then made that information prominent to provide a better customer experience by putting materials and data right at your fingertips.

Feel free to send feedback and comments regarding the new website to Stephanie Marquis, WHA Vice President, Communications.

Identifying Challenges, Achieving Solutions

Eric Borgerding's message to ACHE members

On September 18, WHA President/CEO Eric Borgerding spoke at the American College of Healthcare Executives (ACHE)-Wisconsin Chapter annual meeting about the top issues facing Wisconsin hospital CEOs, and how WHA is helping our members with solutions to meet those challenges. Borgerding delivered an hour-long overview of the health care environment in Wisconsin, including the top challenges facing WHA members, and detailed how WHA uses public policy and advocacy to impact these issues.

WHA President/CEO Eric Borgerding

According to WHA member surveys, the top issues threatening the ability of hospitals and health systems to provide high quality care are:

1. Workforce shortages
2. Uncertainty in the insurance market
3. Government health care program underpayment *(continued on page 5)*

Wisconsin Ranks Among Top U.S. States for Health Care Access and Patient Safety

Wisconsin ranks 4th highest overall in nation and #1 in the Midwest

Yesterday, the federal Agency for Healthcare Research and Quality (AHRQ) issued its State Snapshots ranking, naming Wisconsin fourth in the nation—and first in the Midwest—for highest overall health care quality among all 50 states. AHRQ's State Snapshots web tool helps state health leaders, researchers, and consumers understand the status of health care quality, including each state's strengths.

The AHRQ uses more than 120 statistical measures to evaluate health care performance across care settings, including access to care and patient safety. AHRQ began issuing its State Snapshots in 2006, and Wisconsin has consistently ranked in the top four states in 10 of 12 years (AHRQ did not issue a report in 2012) – and was ranked first in the nation in 2006, 2008, and 2017. Wisconsin was ranked second in the U.S. in 2007, 2009, 2011, and 2015.

"Providers, administrators, patients, and families are working together in effective partnerships, across care settings locally and regionally – and that shows," said WHA President and CEO Eric Borgerding. "Wisconsin is a national leader and is known for its high-quality, high-value health care. These rankings reflect not only outstanding performance today, but more importantly, a trend spanning over a decade demonstrating a sustained commitment to affordable, accessible, quality health care that our members deliver each and every day."

"WHA members have a solid commitment to transparency and improvement, and Wisconsin's performance in higher patient satisfaction scores and lower health care-associated infection rates are accomplishments other states aspire to," said Beth Dibbert, WHA Chief Quality Officer.

Earlier this year, the federal Health Resources and Services Administration announced that Wisconsin's Critical Access Hospitals were named fourth in the nation, according to the Medicare Beneficiary Quality Improvement Program. The program ranks states based on quality data reporting and performance. A Critical Access Hospital (CAH) is often located in a rural part of the state, and it provides short-term hospital stays when someone has a severe injury or illness, an urgent medical condition, or is recovering from surgery. CAHs help provide essential health care services locally, particularly in areas of the state where the next town may be 35 miles or so away.

Wisconsin Quality Ranks Top in the Midwest & Fourth Highest in the Nation AHRQ State Snapshots – 2018 Scores	
Maine	72.53
New Hampshire	69.77
Rhode Island	68.89
Wisconsin	68.29
Massachusetts	67.48
Pennsylvania	65.38
Iowa	64.17
Minnesota	63.87
Vermont	62.87
North Carolina	62.20

WHA's CheckPoint website includes clinical quality data that all Wisconsin hospitals voluntarily report to WHA.

North Carolina Hospital Foundation Announces Disaster Relief Fund

Donations will support recovery efforts for hospital and health system employees and their communities affected by Hurricane Florence

Throughout the devastation of Hurricane Florence and in the days following, thousands of doctors, nurses, technicians and support personnel have spent days and nights at their hospitals, providing care and safe shelter to their neighbors in need, despite the circumstances that may await them at their own homes.

The North Carolina Hospital Foundation, the 501(c)(3) affiliate of the NC Healthcare Association, has established a Disaster Relief Fund to support North Carolina's health care workers and their communities as they begin the process of rebuilding. Read more.

Legislative Council Study Committee on Direct Primary Care Meets for Final Time

The Legislative Council Study Committee on Direct Primary Care (DPC) held its third and what is expected to be its final meeting on September 18. The Study Committee used the meeting to hear more testimony from consumers of direct primary care and to go over options for recommendations to bring forward.

The meeting began with the Committee hearing from a panel of three consumers who utilize direct primary care from the practices of two council members, Tim Murray, MD of Solstice Health and Suzanne Gehl, MD. Their patients gave positive reviews of their experience highlighting ease of access and cost as reasons for choosing DPC. One patient noted that the low entry price made DPC attractive for her due to being previously uninsured and currently on a high-deductible health insurance plan. The other patient said he enjoys the quick access to his provider via cell phone, email, and text, which can bring peace of mind when he or a family member is ill.

Some of the Committee members noted that many traditional health plans and providers make their primary care practitioners similarly available to their patients and suggested the Committee focus on how DPC is unique mainly from a payment structure, rather than a difference in how care is provided. Other members questioned whether consumers are fully aware of what is and is not covered under their DPC membership. Panel members responded they feel their DPC providers are upfront with what is covered under the membership fee.

The meeting concluded with members questioning what recommendations should be brought forward and debating clarifying in statute that DPC is not insurance while defining adequate consumer protections. After an extensive discussion, Chair Alberta Darling (R-River Hills) said it was clear there was not consensus about recommending such legislation, and also mentioned that members did not feel there was enough consensus to move forward recommendations for a Medicaid pilot, which had been discussed previously.

The Committee then discussed bringing forward a recommendation that the State Department of Employee Trust Funds study how a pilot could be developed for state employees, which members agreed to. The Committee concluded its work and thanked members for their time. WHA will follow the final recommendations that come forward from the Committee and would like to thank WHA members Maureen McNally and Bob Van Meeteren for their important contributions to the work of this study committee.

WHA Meets With Congressman Sensenbrenner to Discuss Stark Law Reform

Also asks for support on site-neutral payments letter to CMS

From L to R: Jon Hoelter, WHA Director of Federal and State Relations; Tony Curry, Policy and Regulatory Specialist at Advocate Aurora; Congressman Jim Sensenbrenner, Mike Wallace, President/ CEO of Fort Healthcare; Maureen McNally, Chief of Staff to the Office of the President at Froedtert Health

On September 17, WHA and members with hospitals in Congressman Jim Sensenbrenner's district met with the congressman in his office in Brookfield. The topic of discussion was the physician self-referral law, better known as the Stark Law. With the ripe appetite in Washington for regulatory reform, WHA has made Stark Law reform a priority in recent federal advocacy efforts. WHA has followed hearings in the House Ways and Means Committee and also submitted comments in response to a Request for Information from the Centers for Medicare and Medicaid Services (CMS) that closed in August.

The original law was designed to ensure physicians refer patients for services and tests only based on whether they are necessary, by making sure physicians do not receive financial incentives for such referrals. However, since then, numerous regulations have been added to the federal register, making the law complex to comply with. WHA has heard from hospitals and health systems small and large who have expressed concerns over the amount of attorney time and other resources spent on reviewing physician compensation arrangements and other aspects of the Stark Law, time that would be better spent on direct patient care.

Congressman Sensenbrenner noted that he served in Congress with Pete Stark, the former California Congressman who the current law is named after, though he had concerns with the law even then and did not support it. He said he would welcome efforts to reform the law and reduce its regulatory burden on hospitals and recommended WHA and its members work with Congress next session, as it is unlikely to be taken up in the current session. ***(continued on page 4)***

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WHA also urged Sensenbrenner to sign onto a letter WHA is coordinating with Wisconsin's Congressional Delegation, expressing concerns with CMS' recent proposal to extend site-neutral payment reductions to off-campus hospital outpatient departments. This CMS proposal is projected to reduce payments by about $30 million to 40 Wisconsin hospitals, including five in Sensenbrenner's district. WHA members noted the proposal seemed to be in conflict with two separate acts of Congress that had intentionally grandfathered hospitals participating in the existing payment structure.

More Cases of Severe Bleeding in Wisconsin Linked to Synthetic Cannabinoids

Latest confirmed case reported in Fond du Lac County

The Wisconsin Department of Health Services (DHS) has confirmed 16 additional cases of severe bleeding caused by the use of synthetic cannabinoids containing rat poison. That brings the total number of people affected in this outbreak to 80. The counties with confirmed cases include Dane, Milwaukee, Outagamie, Rock, and now Fond du Lac. These cases have ranged in age from 16 to over 50 years old. To date, there has been one death in Wisconsin associated with this outbreak.

"Synthetic cannabinoids are not safe, and we urge people not to use them, said Karen McKeown, State Health Officer. "This outbreak shows how hazardous they can be to your health."

Since March, DHS has been investigating an outbreak of severe bleeding in people who have used synthetic cannabinioids, commonly called "Fake Weed," "K2," or "Spice," among other names. Through the course of the investigation, it was discovered that the synthetic cannabinoid the patients had used contained brodifacoum, a chemical used in rat poison.

People who have used synthetic cannabinoids and experience unexplained bleeding, such as a nosebleed, bleeding gums, or bruising, should call 911 or go to an emergency department right away. This product can stay in a person's system for months and bleeding could happen at any time, so anyone who has used synthetic cannabinoids should see a doctor.

Synthetic cannabinoid products are not legal in Wisconsin and they should not be confused with marijuana (cannabis) or cannabidiol (CBD). Synthetic cannabinoids are typically sprayed onto dried plant material and smoked, but can also be mixed into a liquid and vaped in e-cigarettes or other vaping devices.

WHA Emergency Prep Conference: Cybersecurity in Health Care, October 23

Cybersecurity is a very real issue for the health care industry. On October 23, WHA is hosting a one-day program intended to provide takeaways to improve your hospital or health system readiness.

"WHA Emergency Preparedness Conference: Cybersecurity in Health Care" will open with discussion of current threats facing health care organization preparedness and security, led by Byron Franz, special agent for the Milwaukee division of the Federal Bureau of Investigation. In addition, Marti Arvin, nationally recognized health care compliance professional and Vice President of Audit Strategy for CynergisTek, will share real-world cybersecurity incidents, the impact they had on privacy, security and compliance programs across the organizations affected, and advice on improving your hospital or health system's readiness posture.

This conference is designed for hospital emergency preparedness directors, chief information officers, health information technology staff, public relations professionals and public information officers.

Join us October 23 at the Holiday Inn at The American Center in Madison. Online registration for the program is available. Space is limited, so register today!

Member News: Grant Regional Health Center Names New President/CEO


Dave Smith

Grant Regional Health Center in Lancaster announced that Dave Smith is the President and Chief Executive Officer (CEO). Smith began his position September 5.

Smith was previously Vice President of Clinic Operations at St. Margaret's Hospital in Spring Valley, Illinois. He launched his professional hospital career as a Director of Rehabilitation in 1999 and continued to gain experience with his multitude of past leadership roles including Director of Human Resources, Director of Support Services, Director of a Multi-Specialty Physician Group, and most recently, Vice President of Clinic Operations.

He is an accomplished leader with a successful track record of working in rural facilities. He brings a great mix of leadership, inspiration, operational experience, and technical breadth.

Member News: SSM Health St. Clare Hospital Names President

Laura Walczak

Laura Walczak has been named President of SSM Health St. Clare Hospital in Baraboo. Walczak previously served as Vice President of Patient Care at SSM Health - St. Mary's Hospital Janesville since April 2013. Walczak takes the reins at St. Clare October 1.

A registered nurse, Walczak earned a bachelor's degree in nursing from UW-Milwaukee, as well as a master's degree in business administration from the Lake Forest Graduate School of Management. She is a member of the American Organization of Nurse Executives and the Wisconsin Organization of Nurse Leaders.

Before joining SSM, Walczak was Director of Government Programs for the Joint Commission, where she worked to transform the accreditation process for the Veterans Health Administration and the U.S. Department of Defense. A Wisconsin native, Walczak began her career as a critical care nurse for St. Luke's Medical Center in Milwaukee and went on to hold leadership positions with hospitals in the Advocate, Centegra, and Mercy Health Systems in the greater Chicago area.

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From left: Tom Shorter, ACHE-WI President, Eric Borgerding, Ryan Neville, ACHE-WI President-Elect, Andy Hillig, ACHE-WI Regent

Borgerding noted that while Wisconsin is not alone in facing these challenges, WHA's primary role is to understand and stay ahead of these challenges while crafting and delivering a responsive, relevant and impactful agenda.

"We are always looking ahead, always proactive and constantly seeking opportunities to improve health care and be credible, meaningful, and influential in the debate," Borgerding said. "We continue to expand our reach and purview across the continuum of care to deliver unquestionable value for our members, while forming new partnerships and relationships to build and advance common agendas."

Workforce Shortages

In 1990, manufacturing was the leading employer for most of the nation, and Wisconsin was no exception. But in the past 25 years, there has been a shift in employment sectors with health care expected to become the dominant industry in more than half the states by 2024. As reported in *The Atlantic* in January 2018, the U.S. reached that projection seven years early—and health care is now the leading employment sector.

"As Wisconsin faces health care workforce shortages, we are also seeing demand for health care increase; it's the proverbial perfect storm," Borgerding said. "Wisconsin's 65 and older population will double by 2030, meaning increasing demand for health care now and in the future."

"With record low unemployment in Wisconsin, the labor market is already extremely tight, so we won't solve the health care workforce problem through numbers alone; we have to look inside our state and inside our hospital and health systems to 'grow our own' workforce," Borgerding said. "WHA takes a two-pronged approach, working with lawmakers to enact bipartisan public policy that both increases the number of caregivers being educated and trained in Wisconsin, but also staying in Wisconsin to practice. We also use regulatory policy to better leverage the skills and training of existing caregivers. Our physicians and advanced practice clinicians have licenses to deliver care. We need to make sure they are able to do that, able to practice at the top of those licenses as caregivers, not paper pushers."

One example is the Wisconsin Graduate Medical Education (GME) matching grant program. WHA initiated the program in the 2013-15 state budget and has worked with Republicans and Democrats during the past five years to grow and strengthen this "grow our own" strategy. WHA created and garnered bipartisan support for GME, which is one of the best public policy solutions in Wisconsin.

"By 2020, Wisconsin is projected to have 133 more primary care residents, many of those being in much needed specialties like psychiatry, in the so-called pipeline, and it is highly likely most of them will practice right here in Wisconsin. The GME grant program is shaping up to be one of the better examples we've seen in many years of advocacy and public policy being successfully channeled to create and implement real solutions," said Borgerding.

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"We know from WHA's own research that if a medical student is from Wisconsin, attends medical school in Wisconsin, and completes their residency in Wisconsin, it becomes very likely they will practice in Wisconsin," Borgerding told the ACHE audience. "Wisconsin's GME program addresses a key ingredient in that equation—residencies. It's a real success story, a blue print for physician workforce public policy that we can replicate for other in-demand health care professions."

According to WHA's 2017 Health Care Workforce Report, advanced practice nurses, certified nursing assistants, physician assistants, and surgical technicians continue to be some of the most in-demand positions, with vacancies for surgical technicians, respiratory therapists, and physical therapist vacancies doubling since 2014.

In the last state budget, WHA worked with lawmakers on both sides of the aisle to provide $1 million in matching grant funding to develop rural training programs for advanced practice nurses and allied health professionals. It's an approach that mimics Wisconsin's successful GME program by pairing state resources with hospital matching funding to grow more of our own workforce.

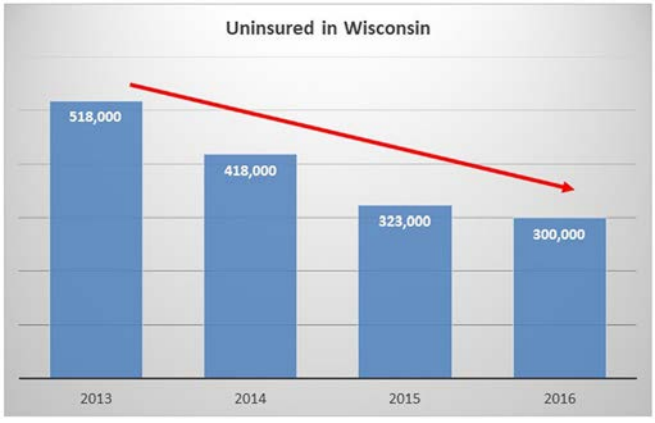
"It's not just the State that is stepping up to the plate with funding for these programs. Its also our members—the hospitals and health systems of Wisconsin—that are putting their own financial resources on the table, dollar for dollar, to help educate and train the health care workforce all of Wisconsin needs for the coming generations," said Borgerding. "It's a commitment to Wisconsin that exemplifies what makes health care one of our greatest strengths, and why our hospitals and health systems are truly some of Wisconsin's greatest assets."

"It's a commitment to Wisconsin that exemplifies what makes health care one of our greatest strengths, and why our hospitals and health systems are truly some of Wisconsin's greatest assets."

In addition to new grant funding, WHA spearheaded legislation that clarifies that advanced practice clinicians treating Medicaid patients do not need physician co-signatures for services provided within their scope of practice. "Regulations and statutes can hinder care delivery models and clinician capabilities," Borgerding said. "We need to regulatory reforms like this to allow Wisconsin to fully utilize the caregiver workforce we already have," said Borgerding. "This legislation was an important step, but there's much more to do and much more to come as we allow more caregivers to practice at the top of their licenses."

Unstable Insurance Markets Threaten Coverage Gains

Through a combination of expanding Medicaid to cover those in poverty (incomes <100% of the federal poverty level) and implementation of the ACA's insurance exchange, Wisconsin has cut its uninsured rate nearly in half, Borgerding told the ACHE gathering. Wisconsin's uninsured rate is tied for 7th lowest in the nation, with a lower uninsured rate than 24 of the 33 states that have accepted full Medicaid expansion. At the same time, fewer insurers are participating in Wisconsin's exchange marketplace and premiums rose an average of 36% in 2018, factors combining to threaten Wisconsin's progress.



"It's critical that we hold on to these coverage gains, not step backward," Borgerding said. "Though the ACA is largely a federal issue, watching it implode from Madison, with no replacement in hand, is not an option. If or until there is something actually enacted to replace the ACA, states can and must play a role in sustaining coverage gains within the ACA. And to the Governor's and Legislature's credit, Wisconsin is doing just that."

In the latter half of 2017, WHA called on the Governor and Legislature to take action at the state level to stabilize insurance markets and sustain coverage gains. "Rather than stand by and watch the piecemeal deconstruction of Obamacare unfold, WHA calls on the state to strike its own path," WHA said in a January 2018 statement. "...We believe the time for the state to act is now and are very encouraged by the Governor's proposal to create a reinsurance mechanism to stabilize insurance premiums."

The reinsurance program passed the state Legislature with strong bipartisan support in early 2018, was signed into law by Governor Walker at multiple WHA member hospitals, and received federal approval in July. The program will cover 50% of high-

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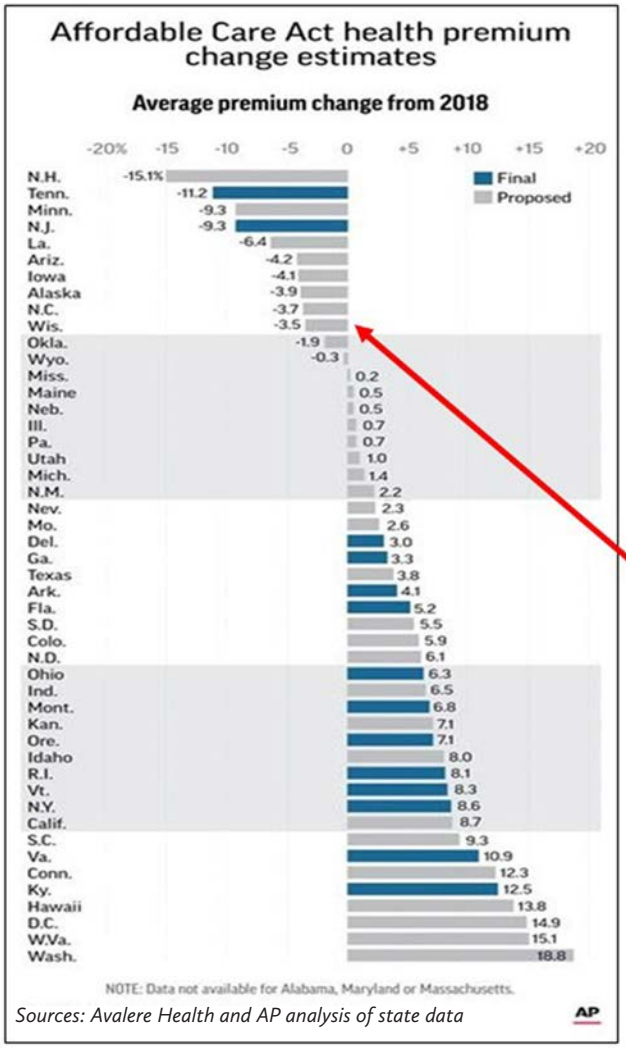
cost claims ($50k-$250) in the exchange market in 2019. The program is funded by both state and federal dollars, with the federal government picking up an estimated 83% of the cost (approximately $166 million) and the state paying 17% of the cost.

The program is expected to lower 2019 premium rates in Wisconsin's individual health insurance market on a weighted average by 3.5% from 2018 rates, and an estimated 11% as compared to without the waiver. The program has also brought stability to the individual market, with additional health plans planning to participate in 2019.

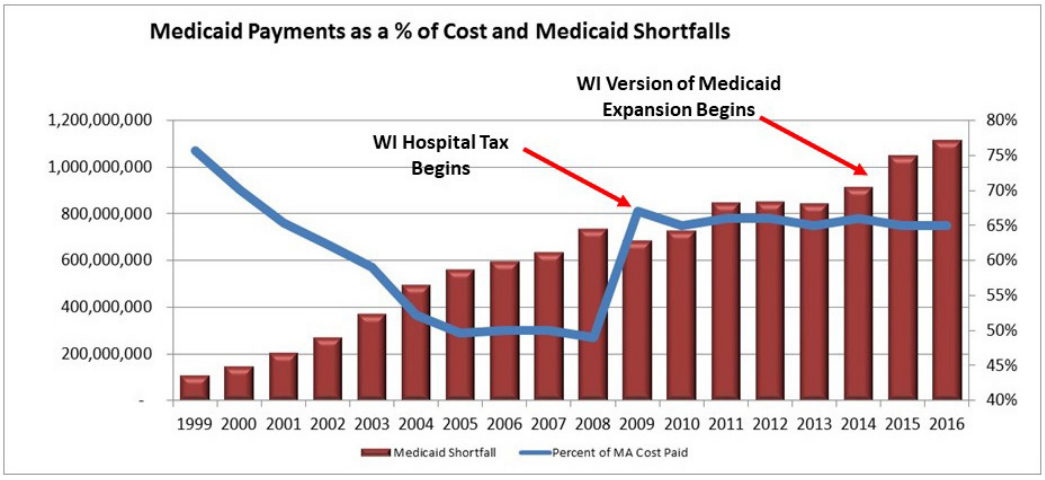


Exchange Premiums Stabilizing in 2019

- Nationally average premium will increase 4%
- 3.5% reduction predicted in WI in 2019
  - *39.5 point swing from 2018*

Government Underpayment

The final challenge Borgerding shared with the group is one echoed across the state: the lack of adequate reimbursement for providing services to Medicaid payments. According to WHA, hospitals alone are reimbursed $1.1 billion less than what it costs to provide care to Medicaid patients. That translates into more than $1 billion in higher health care costs for everyone else as those unpaid costs are shifted to others, Borgerding said. It's a dynamic dubbed "The Hidden Health Care Tax" and it is only getting worse.



To help hospitals that serve higher numbers of Medicaid patients, in the last state budget, WHA championed reimbursement improvements to offset hospitals' uncompensated care costs, improve access for Medicaid and uninsured patients, and help maintain the financial stability of safety-net hospitals. One example is the state's Medicaid Disproportionate Share Hospital (DSH) program, which provides $130+ million over the biennium to hospitals serving higher numbers of Medicaid and incurring high

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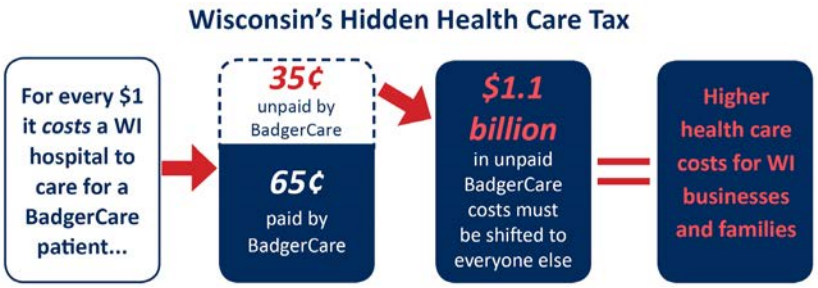
levels of losses. WHA also succeeded in creating a $1.2 million Rural Critical Care supplement for Wisconsin's 11 non-DSH hospitals that do not meet the obstetrical services requirement.

Over the past decade, WHA has also preserved and protected the Wisconsin's nearly $425 million annual hospital assessment. The program is well-crafted and has served its purpose as intended, Borgerding noted.



"Like most other states, Wisconsin hospitals were willing to step up to the plate and pay this assessment, which also increases the federal investment in the program. It's proven to be a well-crafted approach that is working, preserving access to crucial hospital and other health care services, which is beneficial to hospitals, patients and employers," said Borgerding. "However, its notable that the state 'skims' about $150 million from the hospital assessment each year, while at the same time, Wisconsin is projecting a $102 million surplus in its Medicaid program. That doesn't make sense and needs to change. I think hospitals are being 'overskimmed'."

Wisconsin Business Taxes[1]

Medicaid Hidden Health Care Tax (2016)[2]	***$1,111 million***
Motor Fuel Tax (projected 2018)	$1,046 million
Corporate Income Tax (2017)	$921 million
Unemployment Compensation (2016)	$843 million
Utility Tax (2016)	$361 million

[1] Compiled by WHA from Wisconsin Fiscal Bureau and Department of Workforce Develpment Sources
[2] Source: WHA 2016 Annual Community Benefits Survey, Medicaid payment shortfalls

Will Wisconsin Adopt Full Medicaid Expansion?

One of the most hotly debated health care topics in the Governor and Legislature races is Medicaid expansion. Wisconsin rejected full expansion under the ACA, and in the process, has passed up hundreds of million in additional federal Medicaid funding. At the same time, Wisconsin has no insurance "coverage gap," is the only state with complete access to coverage, and has invested some $3 billion in additional State funding into its Medicaid program since 2011.

As politicians debate whether Wisconsin should take ACA-style Medicaid expansion, the primary question seems to revolve around the hundreds of millions in new federal money. Not just taking the money, according to Borgerding, but how to spend the money.

"It's unclear what will happen next year with Medicaid expansion; that will most likely be determined by the outcome of the election," Borgerding said. "But what is becoming troublingly clear is the desire by many proponents of Medicaid expansion to use the additional federal health care money for everything other than health care. This is counter to what those dollars are for, and if Wisconsin goes the expansion route, WHA will join with others in taking a firm stand on preserving health care dollars for health care."

2019 Public Policy Agenda Development

Borgerding wrapped up the session by noting that WHA is in the process of developing next year's legislative agenda based upon feedback from members and other key stakeholders. WHA put together a variety of workgroups, including the following, to gather input over the past year:

- Medicaid Policy/State Budget Workgroup
- Telemedicine Workgroup
- Post-acute Care Workgroup
- Behavior Health Task Force
- Dental Access Workgroup

"We go where our members are going – that's what makes us relevant and impactful," said Borgerding.